

EXECUTIVE SUMMARY

ACCOMACK - NORTHAMPTON REGIONAL HOUSING ASSESSMENT

Housing planners frequently evaluate the livability of an area on the basis of the diversity of its housing stock. The stated goal in the housing section of many comprehensive plans is to achieve a variety of housing styles and densities (both renter and owner) in various locations that are affordable to a broad socioeconomic constituency.

The multi-faceted nature of the Eastern Shore's housing market is striking. Evidence of the diversity of the housing stock and localized housing markets and conditions are embodied in the following observations:

- At its upper end, the housing market offers pristine lots within gated golf course communities as well as elaborate waterfront home sites with frontage on tributaries of the Chesapeake Bay.
- Several communities serve the seasonal housing market by providing second homes and rental properties within proximity of shore attractions.
- The Eastern Shore offers charming village residential settings such as Onancock where schools and commercial amenities are located within walking distance of well maintained homes.
- In the Cape Charles area, the economic transition from blue collar housing to a more gentrified housing market is well underway.
- Remote areas such as Tangier Island are struggling to maintain a housing stock and a way of life that are threatened by flooding, high maintenance costs and economic dislocation of residents.
- The modular home business is alive and well on Virginia's Eastern Shore.
- Subsidized apartment units are available in certain areas to meet the rental needs of lower income households.
- Dormitory style housing can be found on many of the Eastern Shore's larger farms to meet the shelter needs of migrant workers.
- At the lower end of the socio-economic scale, certain areas of the Eastern Shore are characterized by pockets of poverty and substandard housing with many units still lacking indoor plumbing.
- Special needs housing providers report an undersupply of homeless shelter beds and group home beds for persons with disabilities.

The middle and upper segments of the Eastern Shore's housing market appears to be quite healthy, with many new housing starts, sales of existing properties and an adequate supply of capital to meet the needs of prospective homebuyers. The only underdeveloped portion of the upper segment of the market is the condominium, upscale apartment, independent living, assisted living and nursing home segment. There is a general undersupply of apartment buildings on the Eastern Shore. The

dominant form of rental units are single family homes rather than apartment units. Presumably, achievable rents and available water and sewer infrastructure are insufficient to justify new upscale apartment development or independent living facilities. Many local residents seem to prefer living in lower density housing. Homeowners on the Eastern Shore remain living independently in their single family homes until very late in life. While there may be few rental housing options for middle and upper income households on the Eastern Shore, this segment of the population is, in relative terms, adequately housed.

Therefore, this report focuses primarily on the needs of lower income households within the overall context of housing on Virginia's Eastern Shore. In many ways, **housing is a symptom of underlying socioeconomic conditions**. Statistically speaking, 26% of the total households on the Eastern Shore have housing problems. The problems include cost burdens, overcrowding and substandard conditions. The vast majority (80%+) of the problems are concentrated within the lower income portion of the population (incomes less than 80% of median income). While this phenomenon is not unique to the Eastern Shore, it does underscore a strong correlation between income and housing problems.

The Eastern Shore is particularly affected by the correlation because it is a high poverty and predominantly lower income area. Statistics show that household income on the Eastern Shore is exceptionally low and unemployment is considerably higher than the State unemployment rate. A full time wage is often insufficient to cover the cost of rent. In fact, **the most serious single housing problem on the Eastern Shore is that rent frequently overstretches the budget of lower income households**. This, in turn, leads to credit problems, which inhibit the upward mobility of renter households to homeownership. Gainful employment is fundamental to upward economic mobility. Unfortunately, many residents of the Eastern Shore have personal characteristics that make it more difficult for them to become and remain employed. Comparatively low household incomes on the Eastern Shore can be traced to lower levels of educational attainment, fewer job options, and a chronic history of poverty and unemployment. The types of jobs available on the Eastern Shore involve more routine, minimum wage work and part time employment. The greater distances to jobs and support services requires reliable personal transportation. The relative absence of affordable child care and the low educational attainment on the Eastern Shore pose additional barriers to gainful employment. As such, it is difficult to escape the vicious circle of poverty, unemployment and substandard housing.

Other housing problems on the Eastern Shore are challenging but far less complicated. The problems include the need to overcome obsolete and substandard elements of the housing stock, an increasing elderly population in need of housing and supportive services, the need for special needs housing and supportive services, the high cost of property rehabilitation, and the need for public water and sanitary sewers to support development.

On a more positive note, there are many inherent attributes on which to base a housing and neighborhood revitalization strategy for the Eastern Shore, including a relatively low cost of living, the low cost of sales housing, an exceptionally high rate of homeownership and a low density housing stock.

ACCOMACK-NORTHAMPTON HOUSING BALANCE SHEET

ASSETS	LIABILITIES
<ul style="list-style-type: none"> ■ stable population base ■ affordable sales housing values ■ diversity of housing stock ■ 72 percent of all occupied housing units are owner occupied ■ increasing number of housing units ■ newer residential subdivisions reflect demand for housing ■ newer assisted rental housing developments ■ collaborative efforts of agencies and non-profit community groups dedicated to housing and community development ■ relatively low tax burden and low cost of living ■ low density character of housing ■ attractive outdoor recreational amenities ■ pleasant climate ■ coordination of effort between environmental groups and housing groups ■ strong informal personal support networks ■ public transit service 	<ul style="list-style-type: none"> ■ high percentage of lower income households that can't afford market rents ■ low paying jobs and relative absence of economic opportunity ■ chronic poverty and unemployment ■ low level of educational attainment ■ increasing number of vacant dwelling units ■ inadequate public infrastructure (water & sewer) to support housing development ■ 782 owner units still lacking indoor plumbing ■ aging housing stock in need of rehabilitation ■ added cost of materials and labor to produce housing on Eastern Shore (especially Tangier) ■ undersupply of attractive rental housing units (apartment buildings) ■ limited local real estate development capacity (dependent on outside developers and general contractors) ■ absence of clear title to inherited residential real estate ■ insufficient homeless resources

SUMMARY OF MAJOR FINDINGS AND OBSERVATIONS

ACCOMACK-NORTHAMPTON REGIONAL HOUSING ASSESSMENT

■ ***POPULATION CHARACTERISTICS***

T People born and raised on the Eastern Shore tend to remain and age in place while certain newcomers are being attracted to the area, presumably in search of work, a comfortable retirement and/or affordable housing within proximity to the area's many natural amenities. As a result, the overall population has recently experienced marginal growth of about three quarters of one percent per year. More specifically, the population of Accomack County is increasing marginally while the population of Northampton has remained relatively constant.

■ ***RACIAL CHARACTERISTICS***

T The Eastern Shore's population is becoming increasingly diverse in its racial and ethnic makeup. The Hispanic population more than doubled in the past decade and now comprises a full 5% of the Eastern Shore's population. Roughly 61% of the Eastern Shore's population is white and 34% of the population is black.

■ ***EDUCATIONAL CHARACTERISTICS***

T The level of educational attainment on the Eastern Shore is significantly lower than for the State of Virginia. Forty percent of the Eastern Shore's population has less than a high school education while in Virginia, 24% of the population lacks a high school education.

■ ***INCOME AND POVERTY CHARACTERISTICS***

T The Eastern Shore is a predominantly lower income area with median household income about 58% of the State-wide median household income. The median household income on the Eastern Shore is \$19,274. For the State of Virginia, the median household income is \$33,328.

T The incidence of poverty on the Eastern Shore is significant. Roughly 22% of the Eastern Shore's population earn incomes below the poverty level. This is more than double the State-wide poverty rate.

■ ***EMPLOYMENT CHARACTERISTICS***

T Unemployment on the Eastern Shore (5.89%) is about twice the rate for the State as a whole (2.78%). **Unemployment is a chronic condition.** The unemployment rate for

the Eastern Shore has been significantly higher than the State-wide rate for the past 15 years. Unemployment is higher in Accomack County (6.38%) than in Northampton County (4.52%).

■ ***ECONOMIC AND MARKET CHARACTERISTICS***

- T The largest employers on the Eastern Shore are the poultry processing plants, the health care industry, NASA-Wallops and the public school system. None of these industries inject huge purchasing power into the local economy.
- T From 1990 to 1998, private non farm employment declined 3% in Accomack County and 7% in Northampton County.
- T There are 373 vacant for sale units on the Eastern Shore. Only 111 of these dwellings are affordable to households with incomes below 50% of the area median income. Many of these 111 units are in need of rehabilitation in order to support occupancy.
- T According to 1990 census data, the median value of a single family home on the Eastern Shore is \$49,700 which is well below the State median value of \$90,400.
- T In **Accomack County**, there were 327 residential real estate transactions in 2000. Thirty-five percent of these occurred in Chincoteague. The Countywide average sales price was \$99,460. The Countywide median sales price was \$75,000. Median sales price by community:

Accomac	\$58,000
Belle Haven	\$58,000
Chincoteague	\$85,000
Melfa	\$68,600
Onancock	\$75,000
Onley	\$69,500
Parksley	\$55,000
Quinby	\$41,000

- T In **Northampton County**, there were 94 residential real estate transactions in 2000. Twenty seven percent of these occurred in the Cape Charles area. The Countywide average sales price was \$126,087. The Countywide median sales price was \$45,000. Median sales price by community:

Cape Charles	\$90,000
Cheriton	\$67,000
Exmore	\$55,000

- T Credit problems are by far the most common reason for mortgage loan denials on the Eastern Shore, both up and down the income scale.
- T In **Accomack County**, home mortgage applications are received from black households in proportion to their share of the County population. White and Hispanic households make fewer applications than their proportionate share of the County population.
- T In **Northampton County**, home mortgage applications are received from white households in proportion to their share of the County population. Black and Hispanic households make fewer applications than their proportionate share of the County population.
- T There are 533 vacant for rent units on the Eastern Shore. Many of these units may be in need of rehabilitation in order to meet local codes. Only 204 of these units are affordable to households that earn incomes of less than 30% of the area median income.
- T Census data reveals that the median contract rent in Accomack County in 1990 was \$335. The median contract rent in Northampton County was \$260. For the State of Virginia as a whole, the median contract rent was \$495.
- T Our research shows that in 2001, a two bedroom unit in the Onancock area typically rents for \$400 to \$450 per month with utilities paid directly by the tenant.
- T Housing in resort areas is generally more expensive. Real estate speculation in resort markets (i.e., Cape Charles and Chincoteague) has the effect of displacing lower income households.

■ ***OWNER OCCUPIED / RENTER OCCUPIED BREAKDOWN***

- T **Of the total occupied housing units on the Eastern Shore, 72% are owner occupied and 28% are renter occupied.** This is higher than the national rate of homeownership and exceeds the State-wide homeownership rate for Virginia, which is 66%.
- T The homeownership rate of minorities and ethnic groups is under represented in proportion to the makeup of the population. The Eastern Shore's population is about 61% white and 72% of all homeowners are white. The Eastern Shore's population is about 34% black and 27% of all homeowners are black. About 5% of the population is Hispanic and only one half of one percent of all homeowners on the Eastern Shore are Hispanic.

■ ***HOUSING PROBLEMS OF EASTERN SHORE HOUSEHOLDS***

- T Thirty percent of all renters on the Eastern Shore or about 1,500 households are cost burdened, meaning that they pay in excess of 30% of their income towards rent. Most of the cost burdened households are at the lower income range. When households are cost burdened, they are forced to sacrifice other basic necessities such as food, clothing and health care. In order to avoid being cost burdened, renters may choose either to live in substandard housing to reduce housing costs or double up with other households, which leads to overcrowding and excessive wear and tear of the dwelling.
- T A renter earning minimum wage (\$5.15) must work 65 hours per week in order to afford the HUD Fair Market Rent of \$433 for a two bedroom apartment. This calculation is based on a maximum monthly rent that does not exceed 30% of the tenant's gross income.
- T **There is an immediate need for 583 additional elderly assisted rental housing units on the Eastern Shore.** These units should be located within proximity to commercial amenities and services and be accessible by public transit. There are currently 274 assisted elderly rental housing units on the Eastern Shore. All units are occupied with the exception of Peter Cartwright Manor, which is still under construction. There are 79 households on the waiting list for elderly housing. The elderly population subsists largely on Social Security income, which is very limited due to low earnings. Very few elderly households have income from pensions. The need for additional elderly rental units is especially pronounced in Accomack County.
- T **There is a need for 711 additional assisted general occupancy rental housing units on the Eastern Shore.** The units should be located within proximity to urban areas and have access to public transit services. There are currently 170 assisted general occupancy rental housing units on the Eastern Shore. All units are occupied with the

exception of 3 units at Onancock Square which are being rehabilitated. There are 70 households on the waiting list for general occupancy housing.

■ ***SPECIAL NEEDS HOUSING ISSUES***

- T **There is a need for an additional 10 group home beds for the mentally ill.**
- T Service providers report a need for additional rental assistance, supportive services and affordable rental housing to support special needs populations, including the developmentally disabled, physically disabled, homeless and migrant farm workers.
- T Service providers report that some landlords refuse to rent to families with children, particularly single women with children. There is a need for an educational initiative for landlords aimed at compliance with State and Federal fair housing laws.
- T Emergency shelter beds on the Eastern Shore are limited. One of the two shelters on the Eastern Shore is a non-denominational Christian shelter, which requires homeless residents to participate in religious activities. Because of religious differences, not all homeless individuals feel comfortable at the faith based shelters.
- T There is no transitional housing on the Eastern Shore. Homeless individuals must, therefore, transition from shelters directly to permanent housing.
- T Provider agencies and public agencies collaborate on a case-by-case, as-needed basis. There is a general absence of a continuum of care planning process on the Eastern Shore.

■ ***HOUSING STOCK CHARACTERISTICS***

- T Of the total number of housing units on the Eastern Shore, 77% are single family detached homes and 17% are mobile homes. The remainder are multifamily housing and other special needs housing.
- T There are few apartment buildings on the Eastern Shore. Sixty five percent of the rental housing stock on the Eastern Shore are single family dwellings, 19% are mobile homes and only 13.5% are multi family dwellings.
- T **Mobile homes are becoming the most popular form of residential development on the Eastern Shore.** Of the 3,792 residential building permits issued on the Eastern Shore during the period 1990 to 2000, 49% or 1,872 were for mobile homes. These numbers are driven in part by credit problems and the relative ease of moving into a new mobile home versus the prospect of substantially rehabilitating an existing home. Our research shows that about 60% of all new mobile homes are double wides. Relaxed zoning requirements for the placement of mobile homes on agriculturally zoned land is

expected to spawn an increase in the number of mobile homes in rural areas of the Eastern Shore.

- T Accomack County maintains detailed records on mobile homes, including the age of the homes. County records show that 49% of all mobile homes in the County were constructed prior to the enactment of the HUD mobile home code in 1976 and are therefore functionally obsolete. While modern modular homes can be a quality, cost effective housing option, those older mobile homes constructed before 1976 pose a housing quality problem in both Accomack and Northampton Counties. **We estimate that there are currently about 2,800 mobile homes on the Eastern Shore that were constructed prior to 1976 that are functionally obsolete and need to be replaced.** As a matter of policy, public funds should not be used to rehabilitate or provide rental assistance contracts to mobile homes constructed before 1976.
- T The **total number of housing units on the Eastern Shore is increasing.** In Accomack County alone, the number of units increased by 23% from 1990 to 2000. In Northampton County, the rate of increase for the same period was 5.9%. It is anticipated that second home dwellers, retirees and migrant workers will continue to be attracted to the Eastern Shore.
- T There is a distinct and disturbing trend towards an increasing number of *vacant* units. **Nearly 20% of all housing units are vacant.** The number of vacant housing units on the Eastern Shore increased by 29% from 1990 to 2000. In 1990, 41 percent of all vacant units on the Eastern Shore were for seasonal, recreational or occasional use. By 2000, 56 percent of all vacant units on the Eastern Shore were for seasonal, recreational or occasional use. Eliminating the vacant units that were for seasonal, recreational or occasional use, there were 3,073 vacant housing units on the Eastern Shore in 2000, which represents 9.2 percent of the housing stock. State-wide in 2000, 5.2 percent of the year round housing units were vacant.
- T **Rents and sales housing prices are low by State-wide standards.** Resale home prices are affordable enough to stimulate opportunities to further expand the Eastern Shore's rate of homeownership and revitalize urban neighborhoods. However, low cost homes are generally older and in need of substantial rehabilitation. In efforts to induce homeownership, the extensive cost of rehabilitation can negate the affordable nature of the sales housing stock unless an attractive financing mechanism is made available to prospective buyers.
- T **The Eastern Shore's housing stock is older than the State wide average.** On the Eastern Shore, 27.5% of all residential structures were constructed prior to 1940. For Virginia as a whole, only 11% of residential structures were constructed prior to 1940. An older housing stock implies the need for substantial rehabilitation, which can be quite costly and put sales housing beyond the economic reach of lower income households.

- T Enter results of housing condition survey.
- T Because over 80% of the residential structures were constructed prior to 1979, the incidence of lead based paint is high. **We estimate that at least 12,000 dwelling units on the Eastern Shore contain lead based paint.** From 1994 to 1999, there were 110 cases of blood lead poisoning in children age 5 and under reported on the Eastern Shore. Northampton County ranks second highest in the State and Accomack County ranks fourth highest in the State for prevalence of lead poisoning. Not only is lead paint a public health problem, but the cost of abating and/or removing lead paint from older dwellings is quite costly and adds considerably to the cost of rehabilitation.
- T In terms of housing quality, the **absence of indoor plumbing is still a problem** on the Eastern Shore. While both Accomack and Northampton have made great strides in addressing this problem, as of 1999, an estimated 273 owner units still lacked indoor plumbing. The cost of constructing a deep well and septic system is roughly \$10,000.

■ ***WATER AND SEWER ISSUES***

- T The most significant barrier to housing development is the relative absence of public water and sanitary sewer systems. The absence of public water and sanitary sewer results in excessively large lots. Large lots, wells and septic systems add to the cost of housing. The cost of extending water and sanitary sewer service to development sites can often render a project financially infeasible. Higher density housing can be more affordable.
- T Additional public water and sewer facilities are needed to support the development of additional multifamily housing, sales housing and neighborhood revitalization initiatives. Municipal systems should be expanded or constructed wherever feasible. Barring the expansion or construction of municipal systems, septic systems with mass drainfields should be constructed in urban areas to support development

■ ***ORGANIZATION AND CAPACITY ISSUES***

- T Local non-profit development capacity for rental housing is in the early stages of evolution. Heretofore, multi family housing has been developed by outside developers and general contractors.
- T There is a comparatively higher degree of local capacity to carry out homeownership and neighborhood revitalization initiatives. Local agencies have been highly successful in securing State and Federal funds for housing rehabilitation, homeownership, neighborhood revitalization and community development activities.
- T There is a reasonably high degree of collaboration and interaction between public agencies, neighborhood groups, non-profit organizations and special needs provider

agencies relative to site specific project planning. There exists a lower degree of collaboration on broader housing planning issues such as homelessness, continuum of care, fair housing, landlord-tenant issues, counseling services, homeownership, housing rehabilitation, housing inspection/code enforcement, and demolition of vacant, substandard dwellings.

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